

MINUTE ITEM

This Calendar Item No. C24 was approved as
Minute Item No. 24 by the California State Lands
Commission by a vote of 3 to 0 at its
11-21-06 meeting.

CALENDAR ITEM

C24

A 31

11/21/06

PRC 7493.1

S 16

D. Jones

**CONSIDER RESCISSION OF AUTHORIZATION OF ASSIGNMENT BY PLAINS
EXPLORATION AND PRODUCTION COMPANY TO CONOCOPHILLIPS COMPANY
AND CONSIDER AUTHORIZATION OF ASSIGNMENT BY TORCH ENERGY
ADVISORS, INC. TO CONOCOPHILLIPS COMPANY**

LESSEE/ASSIGNOR:

Torch Energy Advisors Incorporated
1221 Lamar, Suite 1175
Houston, TX 77010

ASSIGNEE:

ConocoPhillips Company
1232 Park Street, Suite 300
Paso Robles, CA 93446

AREA, LAND TYPE, AND LOCATION:

Sovereign lands in Old River, at Union Island, Contra Costa and San Joaquin
counties.

AUTHORIZED USE:

Continued use and maintenance of an existing 12-inch diameter steel natural gas
pipeline.

LEASE TERM:

30 years, beginning February 7, 1991.

CONSIDERATION:

\$100 per year; with the State reserving the right to fix a different rent periodically
during the lease term, as provided in the lease.

OTHER PERTINENT INFORMATION:

1. Assignee has the right to use the uplands adjoining the lease premises.

CALENDAR ITEM NO. **C24** (CONT'D)

2. On February 6, 1991, the Commission authorized a General Lease - Right of Way Use, lease No. PRC 7493.1, for a 12-inch natural gas pipeline with Union Oil Company of California (Unocal). This pipeline connects an existing gas well on Union Island to Richmond with a pipeline crossing Old River. The lease will expire on February 6, 2021.
3. On May 9, 1996, at the request of Unocal, the Commission approved the assignment and amendment of six right-of-way leases and one industrial lease from Unocal to Torch Operating Company, currently operating under the name of Torch Energy Advisors, Inc.
4. On February 9, 2006, the Commission authorized the assignment of PRC 7493.1 by Plains Exploration and Production Company to ConocoPhillips Company. The calendar item misidentified the assignor which should have been identified as Torch Energy Advisors Incorporated (formerly Torch Operating Company). Therefore, staff is recommending that the February 9, 2006 action be rescinded and the lease be assigned from Torch Energy to ConocoPhillips Company.
5. This pipeline is under the jurisdiction of the U.S. Department of Transportation (DOT), Office of Pipeline Safety. It was last audited by DOT in April 2005, no deficiencies were reported.
6. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines [Title 14, California Code of Regulations, section 15060(c)(3)], the staff has determined that this activity is not subject to the provisions of the CEQA because it is not a "project" as defined by the CEQA and the State CEQA Guidelines.

Authority: Public Resources Code section 21065 and Title 14, California Code of Regulations, sections 15060 (c)(3) and 15378.

EXHIBIT:

- A. Location Map

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

CALENDAR ITEM NO. **C24** (CONT'D)

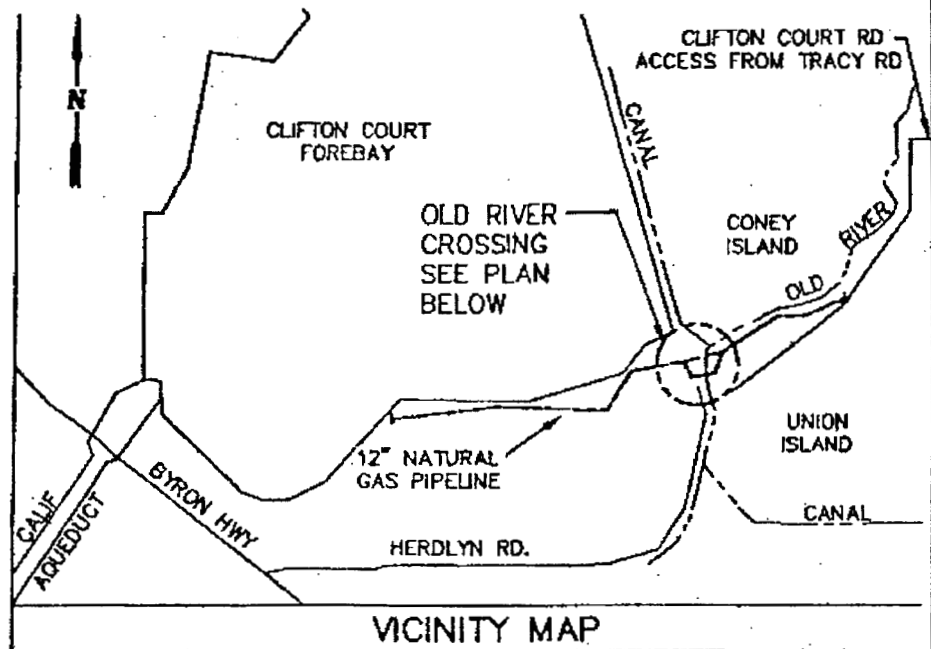
CEQA FINDING:

FIND THAT THE ACTIVITY IS NOT SUBJECT TO THE REQUIREMENTS OF THE CEQA PURSUANT TO TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15060(c)(3) BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY PUBLIC RESOURCES CODE SECTION 21065 AND TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15378.

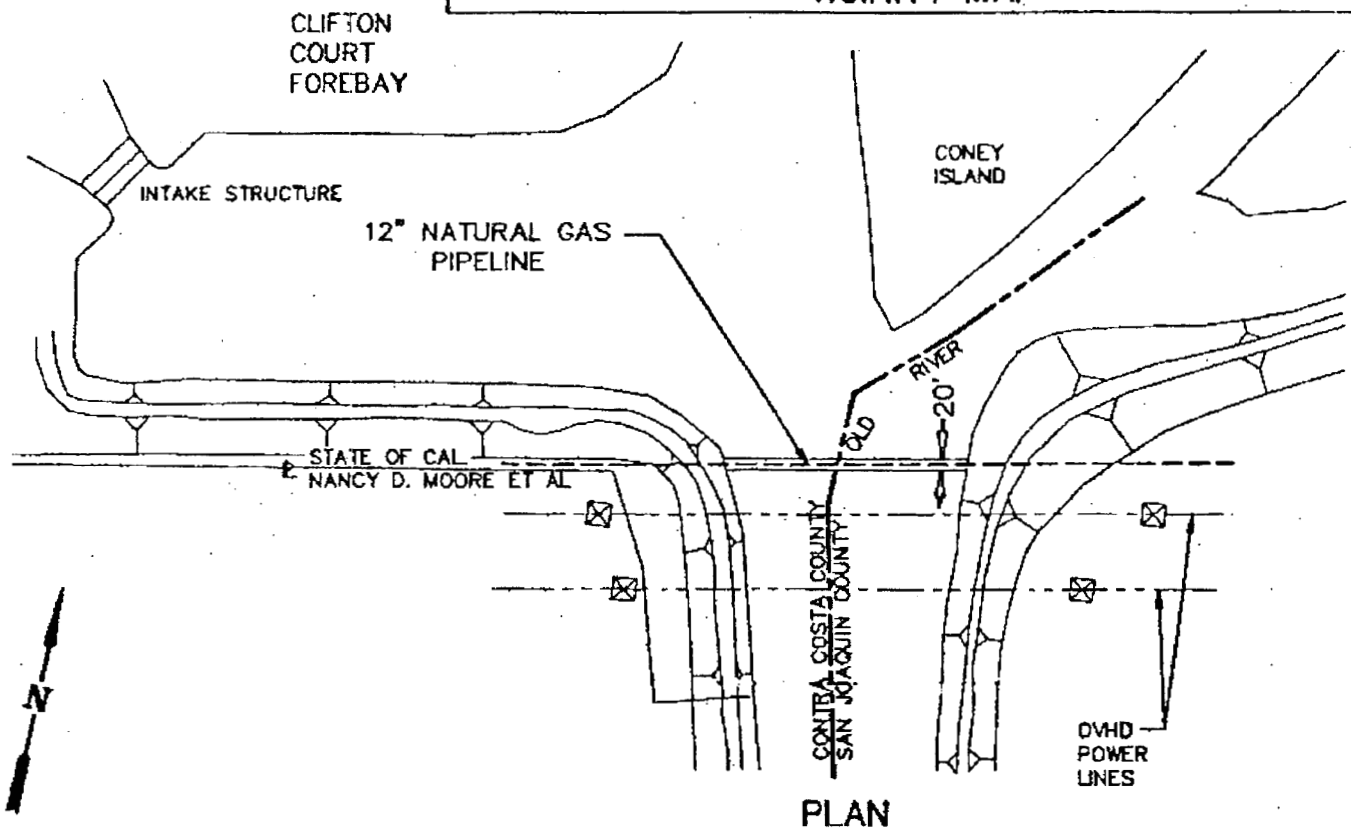
AUTHORIZATION:

1. RESCIND CALENDAR ITEM NO. 35 APPROVED FEBRUARY 9, 2006 AUTHORIZING THE ASSIGNMENT OF PRC 7493.1 BY PLAINS EXPLORATION AND PRODUCTION COMPANY TO CONOCOPHILLIPS COMPANY.
2. AUTHORIZE THE ASSIGNMENT OF LEASE NO. PRC 7493.1, A GENERAL LEASE - RIGHT OF WAY USE OF SOVEREIGN LANDS IN OLD RIVER, AT UNION ISLAND, CONTRA COSTA AND SAN JOAQUIN COUNTIES AS SHOWN ON EXHIBIT A ATTACHED AND BY THIS REFERENCE MADE A PART HEREOF, FROM TORCH ENERGY ADVISORS, INCORPORATED TO CONOCOPHILLIPS COMPANY; EFFECTIVE JANUARY 1, 2003.

Site Plan



VICINITY MAP



PLAN

This exhibit is solely for purposes of generally defining the lease premises, is based on unverified information provided by Lessee or other parties, and is not intended to be, nor shall it be construed as, a waiver or limitation of any state interest in the subject or other property.

Exhibit A
PRC 7493.1

TKL 12/28/2005

000111
CALENDAR PAGE

002259
MINUTE PAGE